

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

AUGUST 14, 2000

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

**DOCKET NO.
00-00379**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before the Tennessee Regulatory Authority (the "Authority") for a decision on the Petition of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") for expansion of its service area to include the Hidden Springs Resort area of Sevier County.

Legal Standard for Granting CCN

On-Site's Application was made pursuant to and was considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201, which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 4, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide sewer service to Oakwood Subdivision in Maury County.

Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include locations in other parts of Tennessee.

Petition to Amend CCN

On May 11, 2000, On-Site filed its Petition to amend its CCN to include the Hidden Springs Resort area of Sevier County in its service territory. According to On-Site's Petition, this area includes two developments, Hidden Springs Resort and Starr Crest, collectively referred to as Hidden Springs Resort. Maps showing the area to which On-Site proposes to extend service are attached to its Petition. In its Petition, On-Site states that the sewer service provider located closest to these areas, the City of Pigeon Forge, indicated that it does not provide service outside the city limits. In addition, On-Site states that Sevier County Government has no desire to provide sewer service to this area. This is evidenced by letters from Earlene M. Teaster, City Manager of Pigeon Forge, and Larry Waters, County Executive of Sevier County, copies of which are attached to the Petition.

On-Site filed a rate schedule with its Petition which states that residential rates for the Hidden Springs Resort area will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

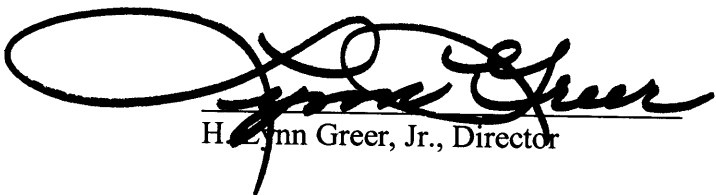
The rate schedule does not list any commercial sewer rates for this area.

On June 20, 2000, On-Site's Petition came before the Authority at a regularly scheduled Authority Conference. Upon consideration of the Petition and pertinent portions of the record, the Authority finds that approval of On-Site's Petition would benefit the present and future public convenience and necessity. Pursuant to Tenn. Code Ann. § 65-4-201, the Authority grants On-Site's Petition.

IT IS THEREFORE ORDERED THAT:

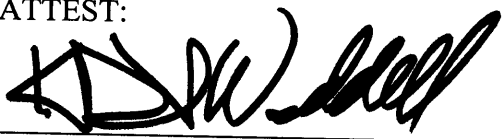
1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service territory to include the Hidden Springs Resort area of Sevier County, as shown in maps attached to the Petition, is approved;
2. On-Site's rates for sewer service to the Hidden Springs Resort area shall be as listed in the attachment to On-Site's Petition and as set forth in this Order;
3. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order; and
4. Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary